



General Assembly

Substitute Bill No. 5592

February Session, 2016

* _____HB05592FIN_____032916_____*

AN ACT CONCERNING CONNECTICUT FIRST.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. (NEW) (*Effective July 1, 2016, and applicable to income years*
2 *commencing on or after January 1, 2019*) (a) As used in this section, the
3 following terms shall have the following meanings unless the context
4 clearly indicates another meaning:

5 (1) "Brownfield" has the same meaning as provided in section 32-760
6 of the general statutes;

7 (2) "Brownfield remediation plan" means any written narrative or
8 plan for the substantial remediation of a brownfield, including, but not
9 limited to, the investigation and remediation of any release or
10 threatened release of pollution to soil or groundwater at the
11 brownfield or the abatement of hazardous building materials, that is
12 submitted to and approved by the commissioner, in consultation with
13 the Commissioner of Energy and Environmental Protection;

14 (3) "Commissioner" means the Commissioner of Economic and
15 Community Development;

16 (4) "Completion of the brownfield remediation" means the
17 documentation by an owner of the completion of a brownfield
18 remediation plan to the satisfaction of the commissioner, including,
19 but not limited to, the filing of either a verification or interim

20 verification that meets the requirements of section 22a-133x, 22a-133y
21 or 22a-134 of the general statutes, or the written determination by the
22 Commissioner of Energy and Environmental Protection that (A) the
23 investigation of the brownfield has been performed in accordance with
24 prevailing standards and guidelines, (B) the remediation has been
25 completed in accordance with the remediation standards, except that,
26 for remediation standards for groundwater, the selected remedy is in
27 operation but has not achieved the remediation standards for
28 groundwater, (C) there is an identified long-term remedy being
29 implemented to achieve groundwater standards, along with an
30 estimated duration for such remedy, and established ongoing
31 operation and maintenance requirements for continued operation of
32 such remedy, and (D) there are not current exposure pathways to the
33 groundwater area that have not yet met the remediation standards;

34 (5) "Department" means the Department of Economic and
35 Community Development;

36 (6) "Owner" means any person, firm, limited liability company,
37 nonprofit or for-profit corporation or other business entity or
38 municipality that (A) holds title to a brownfield and undertakes a
39 brownfield remediation plan, and (B) did not establish, create or
40 maintain a source of pollution to the waters of the state for purposes of
41 section 22a-432 of the general statutes and is not responsible pursuant
42 to any other provision of the general statutes for any pollution or
43 source of pollution on such brownfield;

44 (7) "Qualified expenditures" means the expenditures associated with
45 the investigation, assessment and remediation of a brownfield,
46 including, but not limited to: (A) Soil, groundwater and infrastructure
47 investigation; (B) assessment; (C) remediation of soil, sediments,
48 groundwater or surface water; (D) abatement; (E) hazardous materials
49 or waste removal and disposal; (F) long-term groundwater or natural
50 attenuation monitoring; (G) (i) environmental land use restrictions, (ii)
51 activity and use limitations, or (iii) other forms of institutional control;
52 (H) reasonable attorneys' fees; (I) planning, engineering and

53 environmental consulting; and (J) remedial activity to address building
54 and structural issues, including, but not limited to, demolition,
55 asbestos abatement, polychlorinated biphenyls removal, contaminated
56 wood or paint removal and other infrastructure remedial activities.
57 "Qualified expenditures" do not include expenditures funded for such
58 investigation, assessment, remediation and development directly
59 through other state brownfield programs administered by the
60 commissioner.

61 (b) (1) The department shall administer a system of tax credit
62 vouchers within the resources, requirements and purposes of this
63 section for the remediation of a brownfield by an owner.

64 (2) The credit authorized by this section shall be available in the tax
65 year in which the completion of the brownfield remediation takes
66 place. In the case of a brownfield remediation plan that is completed in
67 phases, the tax credit shall be prorated to the identifiable portion of the
68 completed brownfield remediation. If the tax credit is more than the
69 amount owed by the taxpayer for the year in which the completion of
70 the brownfield remediation takes place, the amount that is more than
71 the taxpayer's tax liability may be carried forward and credited against
72 the taxes imposed for the succeeding five years or until the full credit
73 is used, whichever occurs first. A tax credit that is reserved pursuant to
74 this section may be carried forward (A) to the year in which the
75 completion of the brownfield remediation takes place, (B) in the case of
76 a brownfield remediation plan that is completed in phases, to the year
77 in which the phase is completed, provided the tax credit is prorated to
78 the identifiable portion of the completed brownfield remediation, or
79 (C) as otherwise provided in this subdivision.

80 (3) In the case of a brownfield remediation plan that is completed in
81 phases, the department may issue vouchers for the identifiable portion
82 of the completed brownfield remediation.

83 (4) If a credit is allowed under this section for the remediation of a
84 brownfield with multiple owners, such credit shall be passed through

85 to such owners, or persons designated as partners or members of such
86 owners, pro rata or pursuant to an agreement among such owners, or
87 persons designated as partners or members of such owners,
88 documenting an alternative distribution method without regard to
89 other tax or economic attributes of such owners.

90 (5) Any owner entitled to a credit under this section may sell, assign
91 or otherwise transfer such credit, in whole or in part, to one or more
92 persons, as defined in section 12-1 of the general statutes, provided
93 any credit, after issuance, may be sold, assigned or otherwise
94 transferred, in whole or in part, not more than three times. Such
95 transferee shall be entitled to offset the tax imposed under chapter 207,
96 208, 209, 210, 211 or 212 of the general statutes as if such transferee had
97 incurred the qualified expenditure.

98 (6) If a credit under this section is sold, assigned or otherwise
99 transferred, whether by the owner or any subsequent transferee, the
100 transferor and transferee shall jointly submit written notification of
101 such transfer to the department not later than thirty days after such
102 transfer. The notification after each transfer shall include the credit
103 voucher number, the date of the transfer, the amount of the credit
104 transferred, the tax credit balance before and after the transfer, the tax
105 identification numbers for both the transferor and the transferee and
106 any other information required by the Commissioner of Revenue
107 Services. Failure to comply with this subsection shall result in a
108 disallowance of the tax credit until there is full compliance on the part
109 of the transferor and the transferee, and for a second or third transfer,
110 on the part of all subsequent transferors and transferees.

111 (7) The department shall provide a list to the Commissioner of
112 Revenue Services, on an annual basis, detailing the credits that have
113 been approved for the most recent fiscal year and all sales,
114 assignments and transfers thereof that were made under this section
115 for said fiscal year.

116 (c) For the purpose of seeking a tax credit voucher pursuant to

117 subsection (b) of this section, prior to beginning any brownfield
118 remediation, the owner shall submit to the commissioner a tax credit
119 application on forms provided by the commissioner and with such
120 information the commissioner deems necessary, including, but not
121 limited to: (1) A brownfield remediation plan; (2) a description of the
122 proposed brownfield remediation and redevelopment project; (3) an
123 explanation of the expected benefits of the proposed project; (4)
124 information concerning the financial and technical capacity of the
125 applicant to undertake the proposed project; (5) an estimate of the
126 qualified expenditures; and (6) if the owner plans to undertake the
127 brownfield remediation in phases, a complete description of each such
128 phase, with anticipated schedules for the completion of brownfield
129 remediation and an estimate of the qualified expenditures in each
130 phase. The commissioner may charge any owner seeking a tax credit
131 voucher pursuant to this subsection an application fee in an amount
132 not to exceed five thousand dollars to cover the cost of administering
133 the program established pursuant to this section. If an application is
134 not approved in one fiscal year but is resubmitted in a subsequent
135 fiscal year, the commissioner may waive the application fee for the
136 resubmitted application.

137 (d) The commissioner may approve, reject or modify any
138 application properly submitted in accordance with the provisions of
139 this section. In reviewing an application and determining whether to
140 issue tax credit vouchers, the commissioner shall consider the
141 following criteria: (1) The availability of tax credits for the applicable
142 fiscal year; (2) the estimated eligible costs; (3) the relative economic
143 condition of the municipality in which the brownfield is located; (4)
144 the degree to which a tax credit under this section is necessary to
145 induce the applicant to undertake the project; (5) the public health and
146 environmental benefits of the project; (6) the relative benefits of the
147 project to the municipality, the region and the state, including, but not
148 limited to, the extent to which the project will likely result in a
149 contribution to the municipality's tax base, the retention and creation
150 of jobs and the reduction of blight; (7) the time frame in which the

151 contamination occurred; (8) the length of time the brownfield has been
152 abandoned; and (9) such other criteria as the commissioner may
153 establish consistent with the purposes of this section.

154 (e) The commissioner shall issue tax credit vouchers on a
155 competitive basis, based on a request for applications occurring
156 semiannually in April and October. The commissioner may increase
157 the frequency of requests for applications and awards depending on
158 the number of applicants and the availability of tax credits for the
159 applicable fiscal year.

160 (f) If the commissioner approves an application for a tax credit
161 voucher, the department shall reserve for the benefit of the owner an
162 allocation for a tax credit equivalent to the lesser of (1) twenty-five per
163 cent of the projected qualified expenditures, or (2) two million dollars.

164 (g) Following the completion of the brownfield remediation plan in
165 its entirety or in phases to an identifiable portion of the brownfield,
166 any owner who seeks a tax credit voucher pursuant to subsection (b) of
167 this section shall notify the commissioner that such completion of the
168 brownfield remediation has occurred. Such owner shall provide the
169 department with documentation of the remediation performed on the
170 brownfield, evidence of the completion of the brownfield remediation
171 and certification by a licensed environmental professional of the
172 qualified expenditures incurred as part of the completion of the
173 brownfield remediation plan. The commissioner, in consultation with
174 the Commissioner of Energy and Environmental Protection, shall
175 review such remediation and verify its compliance with the brownfield
176 remediation plan. Following such verification, the department shall
177 issue a tax credit voucher to such owner in an amount equivalent to
178 the amount of the qualified expenditure, provided such amount does
179 not exceed the amount reserved under subsection (f) of this section. In
180 order to obtain a credit against any state tax due that is specified in
181 subsection (h) of this section, the holder of the tax credit voucher shall
182 file the voucher with the holder's state tax return.

183 (h) The Commissioner of Revenue Services shall grant a tax credit to
184 a taxpayer holding the tax credit voucher issued in accordance with
185 subsections (b) to (g), inclusive, of this section against any tax due
186 under chapter 207, 208, 209, 210, 211 or 212 of the general statutes in
187 the amount specified in the tax credit voucher. Such taxpayer shall
188 submit the voucher and the corresponding tax return to the
189 Department of Revenue Services.

190 (i) The aggregate amount of all tax credit vouchers that may be
191 reserved by the department upon approval of tax credit applications
192 pursuant to subsections (b) to (h), inclusive, of this section shall not
193 exceed ten million dollars annually for the fiscal years commencing
194 July 1, 2019, and July 1, 2020. No project may receive tax credits in an
195 amount exceeding two million dollars.

196 (j) The commissioner may adopt regulations, in accordance with
197 chapter 54 of the general statutes, to implement the provisions of this
198 section.

199 (k) Not later than October 1, 2020, and annually thereafter, the
200 department shall report, in accordance with section 11-4a of the
201 general statutes, the total amount of tax credit vouchers reserved for
202 the prior fiscal year pursuant to subsections (b) to (j), inclusive, of this
203 section, to the joint standing committees of the General Assembly
204 having cognizance of matters relating to commerce and finance,
205 revenue and bonding. Each such report shall include the following
206 information for each project for which a tax credit voucher has been
207 reserved: (1) The total project costs; and (2) the value of the tax credit
208 vouchers reserved pursuant to subsection (f) of this section.

209 Sec. 2. (*Effective July 1, 2016*) (a) For the purposes described in
210 subsection (b) of this section, the State Bond Commission shall have
211 the power from time to time to authorize the issuance of bonds of the
212 state in one or more series and in principal amounts not exceeding in
213 the aggregate twenty million dollars, provided ten million dollars shall
214 be effective July 1, 2017.

215 (b) The proceeds of the sale of such bonds, to the extent of the
216 amount stated in subsection (a) of this section, shall be used by the
217 Department of Economic and Community Development for the
218 purpose of funding the remedial action and redevelopment municipal
219 grant program established in section 32-763 of the general statutes, and
220 the targeted brownfield development loan program established in
221 section 32-765 of the general statutes.

222 (c) All provisions of section 3-20 of the general statutes, or the
223 exercise of any right or power granted thereby, that are not
224 inconsistent with the provisions of this section are hereby adopted and
225 shall apply to all bonds authorized by the State Bond Commission
226 pursuant to this section. Temporary notes in anticipation of the money
227 to be derived from the sale of any such bonds so authorized may be
228 issued in accordance with section 3-20 of the general statutes and from
229 time to time renewed. Such bonds shall mature at such time or times
230 not exceeding twenty years from their respective dates as may be
231 provided in or pursuant to the resolution or resolutions of the State
232 Bond Commission authorizing such bonds. None of such bonds shall
233 be authorized except upon a finding by the State Bond Commission
234 that there has been filed with it a request for such authorization that is
235 signed by or on behalf of the Secretary of the Office of Policy and
236 Management and states such terms and conditions as said commission,
237 in its discretion, may require. Such bonds issued pursuant to this
238 section shall be general obligations of the state and the full faith and
239 credit of the state of Connecticut are pledged for the payment of the
240 principal of and interest on such bonds as the same become due, and
241 accordingly and as part of the contract of the state with the holders of
242 such bonds, appropriation of all amounts necessary for punctual
243 payment of such principal and interest is hereby made, and the State
244 Treasurer shall pay such principal and interest as the same become
245 due.

246 Sec. 3. Section 16-244r of the general statutes is repealed and the
247 following is substituted in lieu thereof (*Effective July 1, 2017*):

248 (a) Commencing on January 1, 2012, and within the period
249 established in subsection (a) of section 16-244s, as amended by this act,
250 each electric distribution company shall solicit and file with the Public
251 Utilities Regulatory Authority for its approval one or more long-term
252 contracts with owners or developers of Class I generation projects that
253 emit no pollutants and that are less than one thousand kilowatts in
254 size, [located on the customer side of the revenue meter and] that serve
255 the distribution system of the electric distribution company and are
256 located on either (1) the customer side of the revenue meter, or (2) on
257 or after July 1, 2017, a brownfield, as defined in section 32-760, or a
258 solid waste disposal area, as defined in section 22a-260, provided (A)
259 such brownfield has been remediated or such solid waste disposal area
260 has been closed in accordance with applicable law and regulations and
261 the standards of the Department of Energy and Environmental
262 Protection, or (B) with respect to a brownfield, the Commissioner of
263 Energy and Environmental Protection has approved, for inclusion in
264 any procurement process authorized by this section, such Class I
265 generation project proposed to be located on a brownfield where
266 remediation is not yet completed pursuant to subparagraph (A) of this
267 subdivision, and a licensed environmental professional certifies that (i)
268 the brownfield is suitable for the installation of such Class I generation
269 project, and (ii) such project is consistent with the remedial action plan
270 for the brownfield and will not impede the remediation of such
271 brownfield, or (C) with respect to a solid waste disposal area, the
272 Commissioner of Energy and Environmental Protection has approved,
273 for inclusion in any procurement process authorized by this section,
274 such Class I generation project proposed to be located on a solid waste
275 disposal area where closure of such solid waste disposal area is not yet
276 completed pursuant to subparagraph (A) of this subdivision, and a
277 professional engineer licensed by the state certifies that (i) such solid
278 waste disposal area is suitable for the installation of such Class I
279 generation project, and (ii) such project is consistent with the closure
280 plan for such solid waste disposal area and will not impede the closure
281 of such solid waste disposal area. The authority may give a preference
282 to contracts for technologies manufactured, researched or developed in

283 the state or to contracts with solar development companies
284 incorporated pursuant to chapter 601 or any predecessor statutes
285 thereto.

286 (b) Solicitations conducted by the electric distribution company
287 shall be for the purchase of renewable energy credits produced by
288 eligible [customer-sited generating] generation projects over the
289 duration of the long-term contract. For the purposes of this section, a
290 long-term contract is a contract for fifteen years.

291 (c) (1) The aggregate procurement of renewable energy credits by
292 electric distribution companies pursuant to this section shall (A) be
293 eight million dollars in the first year, and (B) increase by an additional
294 eight million dollars per year in years two to four, inclusive.

295 (2) After year four, the authority shall review contracts entered into
296 pursuant to this section and, if the authority determines that the cost of
297 the technologies included in such contracts have been reduced, the
298 authority shall seek to enter new contracts for the total of six years.

299 (A) If the authority determines such costs have been reduced, the
300 aggregate procurement of renewable energy credits by electric
301 distribution companies pursuant to this subdivision shall (i) increase
302 by an additional eight million dollars per year in years five and six, (ii)
303 be forty-eight million dollars in years seven to fifteen, inclusive, and
304 (iii) decline by eight million dollars per year in years sixteen to twenty-
305 one, inclusive, provided any money not allocated in any given year
306 may roll into the next year's available funds.

307 (B) If the authority determines such costs have not been reduced,
308 the aggregate procurement of renewable energy credits by electric
309 distribution companies pursuant to this subdivision shall (i) be thirty-
310 two million dollars in years five to thirteen, inclusive, and (ii) decline
311 by eight million dollars per year in years fourteen to nineteen,
312 inclusive, provided any money not allocated in any given year may
313 roll into the next year's available funds.

314 (3) The production of a megawatt hour of electricity from a Class I
315 renewable energy source first placed in service on or after July 1, 2011,
316 shall create one renewable energy credit. A renewable energy credit
317 shall have an effective life covering the year in which the credit was
318 created and the following calendar year. The obligation to purchase
319 renewable energy credits shall be apportioned to electric distribution
320 companies based on their respective distribution system loads at the
321 commencement of the procurement period, as determined by the
322 authority. For contracts entered into in calendar year 2012, an electric
323 distribution company shall not be required to enter into a contract that
324 provides a payment of more than three hundred fifty dollars [.] per
325 renewable energy credit in any year over the term of the contract. For
326 contracts entered into in calendar years 2013 to 2017, inclusive, at least
327 ninety days before each annual electric distribution company
328 solicitation, the Public Utilities Regulatory Authority may lower the
329 renewable energy credit price cap specified in this subsection by three
330 to seven per cent annually, during each of the six years of the program
331 over the term of the contract. In the course of lowering such price cap
332 applicable to each annual solicitation, the authority shall, after notice
333 and opportunity for public comment, consider such factors as the
334 actual bid results from the most recent electric distribution company
335 solicitation and reasonably foreseeable reductions in the cost of eligible
336 technologies.

337 (d) Notwithstanding subdivision (1) of subsection (h) of section 16-
338 244c, an electric distribution company may retire the renewable energy
339 credits it procures through long-term contracting to satisfy its
340 obligation pursuant to section 16-245a.

341 (e) Nothing in this section shall preclude the resale or other
342 disposition of energy or associated renewable energy credits
343 purchased by the electric distribution company, provided the
344 distribution company shall net the cost of payments made to projects
345 under the long-term contracts against the proceeds of the sale of
346 energy or renewable energy credits and the difference shall be credited

347 or charged to distribution customers through a reconciling component
348 of electric rates as determined by the authority that is nonbypassable
349 when switching electric suppliers.

350 Sec. 4. Section 16-244s of the general statutes is repealed and the
351 following is substituted in lieu thereof (*Effective July 1, 2017*):

352 (a) To procure the long-term contracts described in section 16-244r,
353 as amended by this act, each electric distribution company shall, not
354 later than one hundred eighty days after July 1, 2011, propose a six-
355 year solicitation plan that shall include (1) a timetable and
356 methodology for soliciting proposals for the long-term purchase of
357 renewable energy credits from in-state generators of Class I
358 technologies that emit no pollutants and are not more than one
359 megawatt in size, and (2) declining annual incentives during each of
360 the six years of the program. The electric distribution company's
361 solicitation plan shall be subject to the review and approval of the
362 Public Utilities Regulatory Authority.

363 (b) The electric distribution company's approved solicitation plan
364 shall be designed to foster a diversity of project sizes and participation
365 among all eligible customer classes subject to cost-effectiveness
366 considerations. Separate procurement processes shall be conducted for
367 (1) systems up to one hundred kilowatts; (2) systems greater than one
368 hundred kilowatts but less than two hundred fifty kilowatts; and (3)
369 systems between two hundred fifty and one thousand kilowatts. The
370 Public Utilities Regulatory Authority shall give preference to
371 competitive bidding for resources of more than one hundred kilowatts,
372 with bids ranked in order on the basis of lowest net present value of
373 required renewable energy credit price, unless the authority
374 determines that an alternative methodology is in the best interests of
375 the electric distribution company's customers and the development of
376 a competitive and self-sustaining market. Systems up to one hundred
377 kilowatts in size shall be eligible to receive, on an ongoing and
378 continuous basis, a renewable energy credit offer price equivalent to
379 the weighted average accepted bid price in the most recent solicitation

380 for systems greater than one hundred kilowatts but less than two
381 hundred fifty kilowatts, plus an additional incentive of ten per cent.
382 On and after July 1, 2017, systems up to seven hundred fifty kilowatts
383 in size located on a brownfield, as defined in section 32-760, or a solid
384 waste disposal area, as defined in section 22a-260, provided such
385 brownfield or solid waste disposal area has been remediated in
386 accordance with applicable law and regulations and the standards of
387 remediation of the Department of Energy and Environmental
388 Protection, shall receive a bid preference of ten per cent for the
389 purpose of competitive bid evaluation by the electric distribution
390 company, with such bids being evaluated as if they were ten per cent
391 lower than other submitted bids.

392 (c) Each electric distribution company shall execute its approved
393 six-year solicitation plan and submit to the Public Utilities Regulatory
394 Authority for review and approval of its preferred procurement plan
395 comprised of any proposed contract or contracts with independent
396 developers. If an electric distribution company's solicitation does not
397 result in proposed contracts totaling the annual expenditure pursuant
398 to subsection (a) of section 16-244r, as amended by this act, and the
399 Public Utilities Regulatory Authority has reduced the cap price by
400 more than three per cent pursuant to subsection (c) of section 16-244r,
401 as amended by this act, the authority shall, within ninety days, issue a
402 request for proposals for additional contracts. The authority shall
403 approve contract proposals submitted in response to such request on a
404 least-cost basis, provided an electric distribution company shall not be
405 required to enter into a contract that provides for a payment in any
406 year of the contract that exceeds the renewable energy price cap for the
407 prior year by less than three per cent.

408 (d) The Public Utilities Regulatory Authority shall hold a hearing
409 that shall be conducted as an uncontested case, in accordance with the
410 provisions of chapter 54, to approve, reject or modify an application
411 for approval of the electric distribution company's procurement plan.
412 The authority shall only approve such [proposed] procurement plan if

413 the authority finds that (1) the solicitation and evaluation conducted
414 by the electric distribution company was the result of a fair, open,
415 competitive and transparent process; (2) approval of the procurement
416 plan would result in the greatest expected ratepayer value from energy
417 from Class I or renewable energy credits at the lowest reasonable cost;
418 and (3) such procurement plan satisfies other criteria established in the
419 approved solicitation plan. The authority shall not approve any
420 proposal made under such plan unless it determines that the plan and
421 proposals encompass all foreseeable sources of revenue or benefits and
422 that such proposals, together with such revenue or benefits, would
423 result in the greatest expected ratepayer value from energy
424 technologies that emit no pollutants or renewable energy credits. The
425 authority may, in its discretion, retain the services of an independent
426 consultant with expertise in the area of energy procurement to assist in
427 such determination. The independent consultant shall be unaffiliated
428 with the electric distribution company or its affiliates and shall not,
429 directly or indirectly, have benefited from employment or contracts
430 with the electric distribution company or its affiliates in the preceding
431 five years, except as an independent consultant. The electric
432 distribution company shall provide the independent consultant
433 immediate and continuing access to all documents and data reviewed,
434 used or produced by the electric distribution company in its bid
435 solicitation and evaluation process. The electric distribution company
436 shall make all of its personnel, agents and contractors used in the bid
437 solicitation and evaluation available for interview by the consultant.
438 The electric distribution company shall conduct any additional
439 modeling requested by the independent consultant to test the
440 assumptions and results of the bid evaluation process. The
441 independent consultant shall not participate in or advise the electric
442 distribution company with respect to any decisions in the bid
443 solicitation or bid evaluation process. The authority's administrative
444 costs in reviewing the electric distribution company's procurement
445 plan and the costs of the consultant shall be recovered through a
446 reconciling component of electric rates as determined by the authority.

447 (e) The electric distribution company shall be entitled to recover its
448 reasonable costs and fees prudently incurred [of] in complying with its
449 approved procurement plan through a reconciling component of
450 electric rates as determined by the authority. Nothing in this section
451 shall preclude the resale or other disposition of energy or associated
452 renewable energy credits purchased by the electric distribution
453 company, provided the distribution company shall net the cost of
454 payments made to projects under the long-term contracts against the
455 proceeds of the sale of energy or renewable energy credits and the
456 difference shall be credited or charged to distribution customers
457 through a reconciling component of electric rates as determined by the
458 authority that is nonbypassable when switching electric suppliers.

459 (f) Failure by the electric distribution company to execute its
460 approved solicitation plan shall result in the assessment of a
461 noncompliance fee. Unless, upon petition by the electric distribution
462 company, the authority grants the distribution company an extension
463 not to exceed ninety days to correct this deficiency, the electric
464 distribution company shall be assessed a noncompliance fee equal to
465 one hundred twenty-five per cent of the difference between the annual
466 distribution company expenditures required pursuant to subsection (c)
467 of section 16-244r, as amended by this act, and the contractually
468 committed expenditure for renewable energy credits from eligible zero
469 emissions customer-sited generating projects in that year. The
470 noncompliance fees associated with the procurement shortfall shall be
471 collected by the distribution company, maintained in a separate
472 interest-bearing account and disbursed to the department on a
473 quarterly basis. Funds collected by the authority pursuant to this
474 section shall be used to support the deployment of Class I zero
475 emissions generating systems installed in the state with priority given
476 to otherwise underserved market segments, including, but not limited
477 to, low-income housing, schools and other public buildings and
478 nonprofits. The authority may waive a noncompliance fee assessed
479 pursuant to this section if the authority determines that meeting the
480 requirements of this subsection would be commercially infeasible.

481 (g) Not later than sixty days after its approval of the distribution
482 company procurement plans submitted on or before January 1, 2013,
483 the Public Utilities Regulatory Authority shall submit a report to the
484 joint standing committee of the General Assembly having cognizance
485 of matters relating to energy. The report shall document for each
486 distribution company procurement plan: (1) The total number of
487 renewable energy credits bid relative to the number of renewable
488 energy credits requested by the distribution company; (2) the total
489 number of bidders in each market segment; (3) the number and value
490 of contracts awarded; (4) the total weighted average price of the
491 renewable energy credits or energy so purchased; and (5) the extent to
492 which the costs of the technology has been reduced. The authority
493 shall not report individual bid information or other proprietary
494 information.

495 Sec. 5. Subsection (a) of section 16-244t of the general statutes is
496 repealed and the following is substituted in lieu thereof (*Effective July*
497 *1, 2017*):

498 (a) Commencing on January 1, 2012, and within one hundred eighty
499 days, each electric distribution company shall solicit and file with the
500 Public Utilities Regulatory Authority for its approval one or more
501 fifteen-year power purchase contracts with owners or developers of
502 generation projects that are less than two megawatts in size, located on
503 the customer side of the revenue meter, serve the distribution system
504 of the electric distribution company, and use Class I technologies that
505 have no emissions of no more than 0.07 pounds per megawatt-hour of
506 nitrogen oxides, 0.10 pounds per megawatt-hour of carbon monoxide,
507 0.02 pounds per megawatt-hour of volatile organic compounds, and
508 one grain per one hundred standard cubic feet. The authority may give
509 a preference to contracts for technologies manufactured, researched or
510 developed in the state or to contracts with solar development
511 companies incorporated pursuant to chapter 601 or any predecessor
512 statutes thereto.

513 Sec. 6. Section 12-704d of the general statutes is repealed and the

514 following is substituted in lieu thereof (*Effective July 1, 2016, and*
515 *applicable to taxable years commencing on or after January 1, 2018*):

516 (a) As used in this section:

517 (1) "Angel investor" means an accredited investor, as defined by the
518 Securities and Exchange Commission, or network of accredited
519 investors who review new or proposed businesses for potential
520 investment and who may seek active involvement, such as consulting
521 and mentoring, in a Connecticut business, [but] except that "angel
522 investor" does not include (A) a person controlling fifty per cent or
523 more of the Connecticut business invested in by the angel investor, (B)
524 a venture capital company, or (C) any bank, bank and trust company,
525 insurance company, trust company, national bank, savings association
526 or building and loan association for activities that are a part of its
527 normal course of business;

528 (2) "Cash investment" means the contribution of cash, at a risk of
529 loss, to a qualified Connecticut business in exchange for qualified
530 securities;

531 (3) "Connecticut business" means any business with its principal
532 place of business in Connecticut that is engaged in bioscience,
533 advanced materials, photonics, information technology, clean
534 technology, cybersecurity technology or any other emerging
535 technology as determined by the Commissioner of Economic and
536 Community Development;

537 (4) "Bioscience" means manufacturing pharmaceuticals, medicines,
538 medical equipment or medical devices and analytical laboratory
539 instruments, operating medical or diagnostic testing laboratories, or
540 conducting pure research and development in life sciences;

541 (5) "Advanced materials" means developing, formulating or
542 manufacturing advanced alloys, coatings, lubricants, refrigerants,
543 surfactants, emulsifiers or substrates;

544 (6) "Photonics" means generation, emission, transmission,
545 modulation, signal processing, switching, amplification, detection and
546 sensing of light from ultraviolet to infrared and the manufacture,
547 research or development of opto-electronic devices, including, but not
548 limited to, lasers, masers, fiber optic devices, quantum devices,
549 holographic devices and related technologies;

550 (7) "Information technology" means software publishing, motion
551 picture and video production, teleproduction and postproduction
552 services, telecommunications, data processing, hosting and related
553 services, custom computer programming services, computer system
554 design, computer facilities management services, other computer
555 related services and computer training;

556 (8) "Clean technology" means the production, manufacture, design,
557 research or development of clean energy, green buildings, smart grid,
558 high-efficiency transportation vehicles and alternative fuels,
559 environmental products, environmental remediation and pollution
560 prevention; [and]

561 (9) "Qualified securities" means any form of equity, including a
562 general or limited partnership interest, common stock, preferred stock,
563 with or without voting rights, without regard to seniority position that
564 must be convertible into common stock; and

565 (10) "Cybersecurity technology" means information technology
566 products or goods intended to detect or prevent activity intended to
567 result in unauthorized access to, exfiltration of, manipulation of, or
568 impairment to the integrity, confidentiality or availability of an
569 information technology system or information stored on, or transiting,
570 an information technology system.

571 (b) There shall be allowed a credit against the tax imposed under
572 this chapter, other than the liability imposed by section 12-707, for a
573 cash investment of not less than twenty-five thousand dollars in the
574 qualified securities of a Connecticut business by an angel investor. The

575 credit shall be in an amount equal to thirty-three per cent of such
576 investor's cash investment in any Connecticut business that is
577 primarily engaged in bioscience, clean technology or cybersecurity
578 technology or twenty-five per cent of such investor's cash investment
579 in any other Connecticut business eligible for the tax credits provided
580 under this section, provided the total tax credits allowed to any angel
581 investor shall not exceed two hundred fifty thousand dollars. The
582 credit shall be claimed in the taxable year in which such cash
583 investment is made by the angel investor and shall not be transferable.

584 (c) To qualify for a tax credit pursuant to this section, a cash
585 investment shall be in a Connecticut business that (1) has been
586 approved as a qualified Connecticut business pursuant to subsection
587 (d) of this section; (2) had annual gross revenues of less than one
588 million dollars in the most recent income year of such business; (3) has
589 fewer than twenty-five employees, not less than seventy-five per cent
590 of whom reside in this state; (4) has been operating in this state for less
591 than seven consecutive years; (5) is primarily owned by the
592 management of the business and their families; and (6) received less
593 than two million dollars in cash investments eligible for the tax credits
594 provided [by] under this section.

595 (d) (1) A Connecticut business may apply to Connecticut
596 Innovations, Incorporated, for approval as a Connecticut business
597 qualified to receive cash investments eligible for a tax credit pursuant
598 to this section. The application shall include (A) the name of the
599 business and a copy of the organizational documents of such business,
600 (B) a business plan, including a description of the business and the
601 management, product, market and financial plan of the business, (C) a
602 description of the business's innovative technology, product or service,
603 (D) a statement of the potential economic impact of the business,
604 including the number, location and types of jobs expected to be
605 created, (E) a description of the qualified securities to be issued and the
606 amount of cash investment sought by the qualified Connecticut
607 business, (F) a statement of the amount, timing and projected use of

608 the proceeds to be raised from the proposed sale of qualified securities,
609 and (G) such other information as the chief executive officer of
610 Connecticut Innovations, Incorporated, may require.

611 (2) Said chief executive officer shall, on a monthly basis, compile a
612 list of approved applications, categorized by the cash investments
613 being sought by the qualified Connecticut business and type of
614 qualified securities offered.

615 (e) (1) Any angel investor that intends to make a cash investment in
616 a business on such list may apply to Connecticut Innovations,
617 Incorporated, to reserve a tax credit in the amount indicated by such
618 investor. The aggregate amount of all tax credits under this section that
619 may be reserved by Connecticut Innovations, Incorporated, shall not
620 exceed six million dollars annually for the fiscal years commencing
621 July 1, 2010, to July 1, 2012, inclusive, and shall not exceed three
622 million dollars in each fiscal year thereafter. Connecticut Innovations,
623 Incorporated, shall not reserve tax credits under this section for any
624 investment made on or after July 1, 2016, and prior to July 1, 2017.

625 (2) The amount of the credit allowed to any investor pursuant to this
626 section shall not exceed the amount of tax due from such investor
627 under this chapter, other than section 12-707, with respect to such
628 taxable year. Any tax credit that is claimed by the angel investor but
629 not applied against the tax due under this chapter, other than the
630 liability imposed under section 12-707, may be carried forward for the
631 five immediately succeeding taxable years until the full credit has been
632 applied.

633 (f) If the angel investor is an S corporation or an entity treated as a
634 partnership for federal income tax purposes, the tax credit may be
635 claimed by the shareholders or partners of the angel investor. If the
636 angel investor is a single member limited liability company that is
637 disregarded as an entity separate from its owner, the tax credit may be
638 claimed by such limited liability company's owner, provided such
639 owner is a person subject to the tax imposed under this chapter.

640 (g) [A] Connecticut Innovations, Incorporated, shall conduct a
641 review of the cumulative effectiveness of the credit under this section
642 [shall be conducted by Connecticut Innovations, Incorporated,] by July
643 1, 2014, and by July first annually thereafter. Such review shall include,
644 but need not be limited to, the number and type of Connecticut
645 businesses that received angel investments, the number of angel
646 investors and the aggregate amount of cash investments, the current
647 status of each Connecticut business that received angel investments,
648 the number of employees employed in each year following the year in
649 which such Connecticut business received the angel investment, and
650 the economic impact in the state, of the Connecticut business that
651 received the angel investment. Such review shall be submitted to the
652 Office of Policy and Management and to the joint standing [committee]
653 committees of the General Assembly having cognizance of matters
654 relating to commerce and finance, revenue and bonding, in accordance
655 with the provisions of section 11-4a.

656 Sec. 7. Section 12-217w of the general statutes is repealed and the
657 following is substituted in lieu thereof (*Effective July 1, 2016, and*
658 *applicable to taxable years commencing on or after January 1, 2018*):

659 (a) For purposes of this section, "fixed capital" means tangible
660 personal property which (1) has a class life, in years, of more than four
661 years, as described in Section 168(e) of the Internal Revenue Code of
662 1986, or any subsequent corresponding internal revenue code of the
663 United States, as from time to time amended, (2) is acquired by
664 purchase from a person other than a related person, (3) is not acquired
665 to be leased, and is not leased, to another person or persons during the
666 twelve full months following its acquisition, and (4) will be held and
667 used in this state by a corporation in the ordinary course of the
668 corporation's trade or business in this state for not less than five full
669 years following its acquisition. "Fixed capital" does not include
670 inventory, land, buildings or structures, or mobile transportation
671 property. With respect to a corporation claiming a credit under this
672 section, a "related person" means a corporation, partnership,

673 association or trust controlled by such corporation; an individual,
674 corporation, partnership, association or trust that is in control of such
675 corporation; a corporation, partnership, association or trust controlled
676 by an individual, corporation, partnership, association or trust that is
677 in control of such corporation; or a member of the same controlled
678 group as such corporation. For purposes of this section, "control", with
679 respect to a corporation, means ownership, directly or indirectly, of
680 stock possessing fifty per cent or more of the total combined voting
681 power of all classes of the stock of such corporation entitled to vote;
682 with respect to a trust, means ownership, directly or indirectly, of fifty
683 per cent or more of the beneficial interest in the principal or income of
684 such trust. The ownership of stock in a corporation, of a capital or
685 profits interest in a partnership or association or of a beneficial interest
686 in a trust shall be determined in accordance with the rules for
687 constructive ownership of stock provided in Section 267(c) of the
688 Internal Revenue Code of 1986, or any subsequent corresponding
689 internal revenue code of the United States, as from time to time
690 amended, other than paragraph (3) of such section.

691 (b) There shall be allowed a credit for any corporation against the
692 tax imposed under this chapter in an amount paid or incurred by such
693 corporation for any new fixed capital investment during the income
694 year in which such fixed capital is acquired as follows: For any income
695 year commencing on or after January 1, 1998, and prior to January 1,
696 1999, equal to three per cent of such amount paid or incurred by the
697 corporation during such income year; for any income year
698 commencing on or after January 1, 1999, and prior to January 1, 2000,
699 equal to four per cent of such amount paid or incurred by the
700 corporation during such income year; and for any income year
701 commencing on or after January 1, 2000, equal to five per cent of such
702 amount paid or incurred by the corporation during such income year,
703 except that for any income year commencing on or after January 1,
704 2018, equal to ten per cent of such amount paid or incurred by the
705 corporation during such income year for fixed capital acquired for
706 bioscience, as defined in section 12-704d, as amended by this act, clean

707 technology, as defined in section 12-704d, as amended by this act, or
708 cybersecurity technology, as defined in section 12-704d, as amended by
709 this act.

710 (c) The amount of such credit allowed to any corporation under this
711 section shall not exceed the amount of tax due from such corporation
712 under this chapter with respect to such income year.

713 (d) No corporation claiming the credit under this section with
714 respect to the acquisition of fixed capital, as defined in subsection (a) of
715 this section, may claim a credit against any tax under any other
716 provision of the general statutes with respect to the same acquisition.

717 (e) Any tax credit not used in the income year during which the
718 acquisition was made may be carried forward for the five immediately
719 succeeding income years until the full credit has been allowed.

720 (f) If the fixed capital on account of which a corporation has claimed
721 the credit allowed by this section is not held and used in this state in
722 the ordinary course of the corporation's trade or business in this state
723 for three full years following its acquisition as provided in subsection
724 (a) of this section, the corporation shall recapture one hundred per cent
725 of the amount of the credit allowed under this section on its
726 corporation business tax return required to be filed for the income year
727 immediately succeeding the income year during which such three-year
728 period expires. If the fixed capital on account of which a corporation
729 has claimed the credit allowed by this section is not held and used in
730 this state in the ordinary course of the corporation's trade or business
731 in this state for five full years following its acquisition as provided in
732 subsection (a) of this section, the corporation shall recapture fifty per
733 cent of the amount of the credit allowed under this section on its
734 corporation business tax return required to be filed for the income year
735 immediately succeeding the income year during which such five-year
736 period expires. The provisions of this subsection shall not apply if the
737 property that is the subject of the credit under this section is replaced.
738 If any amount of credit required to be recaptured has not been paid to

739 the commissioner on or before the first day of the fourth month next
740 succeeding the end of the income year immediately succeeding the
741 income year during which the three-year or five-year period, as the
742 case may be, expires, such amount shall bear interest at the rate of one
743 per cent per month or fraction thereof from such date to the date of
744 payment.

745 Sec. 8. Section 32-9t of the 2016 supplement to the general statutes is
746 repealed and the following is substituted in lieu thereof (*Effective July*
747 *1, 2016, and applicable to taxable years commencing on or after January 1,*
748 *2018*):

749 (a) As used in this section:

750 (1) "Commissioner" means the Commissioner of Economic and
751 Community Development.

752 (2) "Eligible industrial site investment project" means a project
753 located within this state for the development or redevelopment of real
754 property: (A) (i) That has been subject to a "spill", as defined in section
755 22a-452c, (ii) is an "establishment", as defined in subdivision (3) of
756 section 22a-134, or (iii) is a "facility", as defined in 42 USC 9601(9); (B)
757 that, if remediated, renovated or demolished in accordance with
758 applicable law and regulations and the standards of remediation of the
759 Department of Energy and Environmental Protection and used for
760 business purposes, will add significant new economic activity and
761 employment in the municipality in which the investment is to be
762 made, and will generate additional tax revenues to the state; (C) for
763 which the use of the urban and industrial site reinvestment program
764 will be necessary to attract private investment to the project; (D) the
765 business use of which would be economically viable and would
766 generate direct and indirect economic benefits to the state that exceed
767 the amount of the investment during the period for which the tax
768 credits granted pursuant to public act 00-170 are granted; and (E) that
769 is, in the judgment of the commissioner, consistent with the strategic
770 economic development priorities of the state and the municipality.

771 (3) "Eligible urban reinvestment project" means a project: (A) That
772 would add significant new economic activity in the eligible
773 municipality in which the project is located, and will generate
774 significant additional tax revenues to the state or the municipality; (B)
775 for which the use of the urban and industrial site reinvestment
776 program will be necessary to attract private investment to an eligible
777 municipality; (C) that is economically viable; (D) for which the direct
778 and indirect economic benefits to the state outweigh the costs of the
779 project; and (E) that is, in the judgment of the commissioner, consistent
780 with the strategic economic development priorities of the state and the
781 municipality.

782 (4) "Related person" means: (A) A corporation, limited liability
783 company, partnership, association or trust controlled by the taxpayer;
784 (B) an individual, corporation, limited liability company, partnership,
785 association or trust that is in control of the taxpayer; (C) a corporation,
786 limited liability company, partnership, association or trust controlled
787 by an individual, corporation, limited liability company, partnership,
788 association or trust that is in control of the taxpayer; or (D) a member
789 of the same controlled group as the taxpayer. For the purposes of this
790 [section] subdivision, "control", with respect to a corporation, means
791 ownership, directly or indirectly, of stock possessing fifty per cent or
792 more of the total combined voting power of all classes of the stock of
793 such corporation entitled to vote. "Control", with respect to a trust,
794 means ownership, directly or indirectly, of fifty per cent or more of the
795 beneficial interest in the principal or income of such trust. The
796 ownership of stock in a corporation, of a capital or profits interest in a
797 partnership or association or of a beneficial interest in a trust shall be
798 determined in accordance with the rules for constructive ownership of
799 stock provided in Section 267(c) of the Internal Revenue Code, other
800 than paragraph (3) of said section.

801 (5) "Investment" means all amounts invested in an eligible project by
802 or on behalf of a taxpayer, whether directly, through a fund, or
803 through a community development entity or a contractually bound

804 community development entity including, but not limited to, (A)
805 equity investments made by the taxpayer, and (B) loans.

806 (6) "Income year" means with respect to entities subject to taxation
807 under chapters 207 to 212a, the income year as determined under each
808 of said chapters, as the case may be.

809 (7) "Taxpayer" means any person, as defined in section 12-1,
810 whether or not subject to any taxes levied by this state.

811 (8) "Fund manager" means a fund manager registered in accordance
812 with subsection (d) of this section.

813 (9) "New job" means a job that did not exist in the business of a
814 subject business in this state prior to the subject business' application
815 to the commissioner for an eligibility certificate under this section for a
816 new facility and that is filled by a new employee, but does not mean a
817 job created when an employee is shifted from an existing location of
818 the subject business in this state to a new facility.

819 (10) "New employee" means a person hired by a subject business to
820 fill a position for a new job or a person shifted from an existing
821 location of the subject business outside this state to a new facility in
822 this state, provided (A) in no case shall the total number of new
823 employees allowed for purposes of this credit exceed the total increase
824 in the taxpayer's employment in this state, which increase shall be the
825 difference between (i) the number of employees employed by the
826 subject business in this state at the time of application for an eligibility
827 certificate to the commissioner plus the number of new employees
828 who would be eligible for inclusion under the credit allowed under
829 this section without regard to this calculation, and (ii) the highest
830 number of employees employed by the subject business in this state in
831 the year preceding the subject business' application for an eligibility
832 certificate to the commissioner, and (B) a person shall be deemed to be
833 a "new employee" only if such person's duties in connection with the
834 operation of the facility are on a regular, full-time, or equivalent

835 thereof, and permanent basis.

836 (11) "New facility" means a facility which (A) is acquired by, leased
837 to, or constructed by, a subject business on or after the date of the
838 subject business' application to the commissioner for an eligibility
839 certificate under this section, unless, upon application of the subject
840 business and upon good and sufficient cause shown, the commissioner
841 waives the requirement that such activity take place after the
842 application, and (B) was not in service or use during the one-year
843 period immediately prior to the date of the subject business'
844 application to the commissioner for an eligibility certificate under this
845 section, unless upon application of the subject business and upon good
846 and sufficient cause shown, the commissioner consents to waiving the
847 one-year period.

848 (12) "Eligible municipality" means (A) a municipality with an area
849 designated as an enterprise zone pursuant to section 32-70, (B) a
850 distressed municipality, as defined in subsection (b) of section 32-9p,
851 (C) a municipality that has a population in excess of one hundred
852 thousand, or (D) any municipality that the commissioner determines is
853 connected with the relocation of an out-of-state operation or the
854 expansion of an existing facility that will result in a capital investment
855 by a company of not less than fifty million dollars.

856 (13) "Eligible project" means an eligible urban reinvestment project
857 or an eligible industrial site investment project, or both.

858 (14) "Approved investment" means an investment approved by the
859 commissioner under subsection (g) of this section.

860 (15) "Recapture amount" means the amount by which the total of tax
861 credits claimed with respect to any approved investment as of the date
862 of calculation exceeds the sum of all state revenue actually generated
863 through such date by the eligible project in which such approved
864 investment was made.

865 (16) "Pro rata share" means the percentage the amount of the

866 approved investment by an individual investor in an eligible project
867 bears to the total amount of the approved investment in such project,
868 or in the case of a taxpayer to whom credits are transferred under this
869 section, the percentage the amount of credits with respect to an
870 approved investment transferred bears to the total credits with respect
871 to such approved investment.

872 (17) "Community development entity" means any corporation,
873 limited partnership or limited liability company qualified to do
874 business in this state and which (A) is organized for the purpose of
875 providing investment capital or financing for eligible projects under
876 this section, (B) maintains accountability to residents of more than one
877 eligible municipality through representation on the governing board of
878 the entity, (C) is organized for the purpose of seeking certification and
879 an allocation of new markets tax credits as provided in Section 45D of
880 the Internal Revenue Code, and (D) is registered in accordance with
881 subsection (d) of this section. No community development entity shall
882 be eligible for any tax credits under this section unless it is certified
883 under said Section 45D on the date any approved investment is made.
884 A community development entity shall not be deemed a "fund" for
885 purposes of this section.

886 (18) "Project" means the acquisition, leasing, demolition,
887 remediation, construction, renovation, expansion or other
888 development or redevelopment of real property and improvements
889 within this state, including furniture, fixtures, equipment and other
890 personal property which is reasonably necessary in connection
891 therewith, and associated interest and other financing costs and
892 charges, relocation and start-up costs, and architectural, engineering,
893 legal and other professional services, plans, specifications, surveys,
894 permits, studies and evaluations necessary or incident to the
895 development, financing, completion and placing in operation of such a
896 project. In the case of a contractually bound community development
897 entity, "project" [shall] does not include any activities, costs or services
898 not included in the terms of the allocation agreement with the

899 community development financial institutions fund under Section 45D
900 of the Internal Revenue Code.

901 (19) "Contractually bound community development entity" means a
902 community development entity that (A) has entered into an allocation
903 agreement with the community development financial institutions
904 fund pursuant to Section 45D of the Internal Revenue Code, and (B)
905 whose service area in such allocation agreement includes the state of
906 Connecticut.

907 (20) "Internal Revenue Code" means the Internal Revenue Code of
908 1986, or any subsequent corresponding internal revenue code of the
909 United States, as amended from time to time.

910 (21) "Bioscience" means business related to any one or more of the
911 following North American Industry Classification codes: 311221,
912 311224, 325193, 325199, 325220, 325311, 325312, 325314, 325320, 325411,
913 325412, 325413, 325414, 333314, 334510, 334516, 334517, 339112 to
914 339116, inclusive, 423450, 423460, 424210, 532291, 541380, 541711,
915 541712, 621511 and 621512.

916 (22) "Clean technology" means business related to any one or more
917 of the following North American Industry Classification codes: 221111
918 to 221118, inclusive, 221330, 237110, 237130, 314994, 333414, 333611,
919 334413, 335999, 562213 and 926130.

920 (23) "Cybersecurity" means business related to any one or more of
921 the following North American Industry Classification codes related to
922 computers: 334112, 334614, 454113, 511210, 541511 to 541513, inclusive,
923 541519, 541712 and 811212.

924 (b) There is established an urban and industrial site reinvestment
925 program under which taxpayers who make investments in eligible
926 urban reinvestment projects or eligible industrial site investment
927 projects may be allowed a credit against the tax imposed under
928 chapters 207 to 212a, inclusive, or section 38a-743, or a combination of
929 said taxes, in an amount equal to the percentage of their approved

930 investment determined in accordance with subsection (i) of this
931 section.

932 (c) No project shall be deemed an eligible project unless such project
933 [shall] will, in the judgment of the commissioner, be of sufficient size,
934 by itself or in conjunction with related new investments, to generate a
935 substantial return to the state economy.

936 (d) (1) The commissioner may register managers of funds and
937 community development entities created for the purpose of investing
938 in eligible urban reinvestment projects and eligible industrial site
939 investment projects. Any manager, community development entity or
940 contractually bound community development entity registered under
941 this subsection shall have its primary place of business in this state.
942 Each applicant shall submit an application under oath to the
943 commissioner to be registered and shall furnish evidence satisfactory
944 to the commissioner of its financial responsibility, integrity,
945 professional competence and experience in managing investment
946 funds. Failure to maintain adequate fiduciary standards with respect
947 to investments made under this section shall constitute cause for the
948 commissioner to revoke, after hearing, any registration granted under
949 this section or section 38a-88a. The fund manager, community
950 development entity or contractually bound community development
951 entity shall make a report on or before the first day of March in each
952 year, under oath, to the Commissioner of Economic and Community
953 Development and the Commissioner of Revenue Services specifying
954 the name, address and Social Security number or employer
955 identification number of each investor, the year during which each
956 investment was made by each investor, the amount of each
957 investment, a description of the fund's investment objectives and
958 relative performance, or the entity's projects, as the case may be, and a
959 description, including amounts, of all fees received by such manager
960 or entity in relation to each such fund.

961 (2) Any manager of funds registered on or before July 1, 2000,
962 pursuant to section 38a-88a shall be deemed registered as a fund

963 manager for all purposes under the provisions of this section upon
964 submission, in writing, to the commissioner of such manager's
965 intention to act as a manager of funds under this section. The
966 commissioner may request from any such manager such information
967 as the commissioner may require relating to such manager's financial
968 responsibility, integrity, professional competence and experience in
969 managing investment funds.

970 (e) Any taxpayer or fund manager, community development entity
971 or contractually bound community development entity wishing to
972 make an investment under the provisions of this section shall apply to
973 the commissioner in accordance with the provisions of this section. The
974 application shall contain sufficient information to establish that the
975 project in which the proposed investment will be made is an eligible
976 industrial site investment project or an urban reinvestment project, as
977 [appropriate] the case may be, and information concerning the type of
978 investment proposed to be made, the location of the project, the
979 number of jobs to be created or retained, physical infrastructure that
980 might be created or preserved, feasibility studies or business plans for
981 the project, projected state and local revenue that might derive as a
982 result of the project and other information necessary to demonstrate
983 the financial viability of the project and to demonstrate that the
984 investment will provide net benefits to the economy of, and
985 employment for citizens of, the municipality and the state, and in the
986 case of an eligible industrial site investment project, how such project
987 will meet the standards of remediation of the Department of Energy
988 and Environmental Protection. The commissioner shall impose a fee
989 for such application as the commissioner deems appropriate.

990 (f) (1) The commissioner shall determine whether the project in
991 which the proposed investment is to be made is an eligible urban
992 reinvestment project or an eligible industrial site investment project,
993 whether the project is economically viable only with use of the urban
994 and industrial site reinvestment program, the effects of the project on
995 the municipality where the investment will be made, and whether the

1096 project would provide a net benefit to economic development and
 1097 employment opportunities in the state and whether the project will
 1098 conform to the state plan of conservation and development. The
 1099 commissioner may require the applicant to submit such additional
 1100 information as may be necessary to evaluate the application.

1101 (2) The commissioner shall prepare a revenue impact assessment
 1102 that estimates the state and local revenue that would be generated as a
 1103 result of the project. The commissioner shall prepare an economic
 1104 feasibility study relative to such project. The commissioner may retain
 1105 any such persons as the commissioner deems appropriate to conduct
 1106 such revenue impact assessment or economic feasibility study.

1107 (g) (1) The commissioner, upon consideration of the application, the
 1108 revenue impact assessment and any additional information that the
 1109 commissioner requires concerning a proposed investment, may
 1110 approve an investment if the commissioner concludes that the project
 1111 in which such investment is to be made is an eligible urban
 1112 reinvestment project or an eligible industrial site investment project. If
 1113 the commissioner rejects an application, the commissioner shall
 1114 specifically identify the defects in the application and specifically
 1115 explain the reasons for the rejection. The commissioner shall render a
 1116 decision on an application not later than ninety days from its receipt.
 1117 The amount of the investment so approved shall not exceed the greater
 1118 of: (A) The amount of state revenue that will be generated according to
 1119 the revenue impact assessment prepared under this subsection; or (B)
 1120 the total of state revenue and local revenue generated according to
 1121 such assessment in the case of a manufacturing business with North
 1122 American [Industrial] Industry Classification codes of 339999, 311211
 1123 [through] to 312140, inclusive, 324191, [and] 325193, 325199, 325220,
 1124 325311, 325312, 325314, 325320, 325411, 325412, 325413, 325414, 333314,
 1125 334510, 334516, 334517, 339112, 339113, 339114, 339115, 339116, 423450,
 1126 423460, 424210, 532291, 541380, 541711, 541712, 621511, 621512, 221111
 1127 to 221118, inclusive, 221330, 237110, 237130, 314994, 333414, 333611,
 1128 334413, 335999, 562213, 926130, 334112, 334614, 454113, 511210, 541511,

1029 541512, 541513, 541519, 541712 and 811212 that is relocating to a site in
1030 Connecticut from out-of-state, provided the relocation will result in
1031 new development of at least seven hundred twenty-five thousand
1032 square feet in a state-sponsored industrial park.

1033 (2) The approval of an investment by the commissioner may be
1034 combined with the exercise of any of the commissioner's other powers,
1035 including, but not limited to, the provision of other forms of financial
1036 assistance.

1037 (3) The commissioner shall require the applicant to reimburse the
1038 commissioner for all or any part of the cost of any revenue impact
1039 assessment, economic feasibility study or other activities performed in
1040 the exercise of due diligence pursuant to subsection (f) of this section.

1041 (4) There is established an account to be known as the "Connecticut
1042 economic impact and analysis account" which shall be a separate,
1043 nonlapsing account within the General Fund. The account shall
1044 contain any moneys required by law to be deposited in the account
1045 and shall be held separate and apart from other moneys, funds and
1046 accounts. There shall be deposited in the account any proceeds
1047 realized by the state from activities pursuant to this section.
1048 Investment earnings credited to the account shall become part of the
1049 assets of the account. Any balance remaining in the account at the end
1050 of any fiscal year shall be carried forward in the account for the next
1051 fiscal year. Amounts in the account may be used by the Department of
1052 Economic and Community Development to fund the cost of any
1053 activities of the department pursuant to this section, including
1054 administrative costs related to such activities.

1055 (h) Upon approving an investment, the commissioner shall issue a
1056 certificate of eligibility certifying that the applicant has complied with
1057 the provisions of this section.

1058 (i) (1) There shall be allowed as a credit against the tax imposed
1059 under chapters 207 to 212a, inclusive, or section 38a-743, or a

1060 combination of said taxes, an amount equal to the following
1061 percentage of approved investments made by or on behalf of a
1062 taxpayer with respect to the following income years of the taxpayer:
1063 (A) With respect to the income year in which the investment in the
1064 eligible project was made and the two next succeeding income years,
1065 zero per cent; (B) with respect to the third full income year succeeding
1066 the year in which the investment in the eligible project was made and
1067 the three next succeeding income years, ten per cent; (C) with respect
1068 to the seventh full income year succeeding the year in which the
1069 investment in the eligible project was made and the next two
1070 succeeding years, twenty per cent. Notwithstanding the provisions of
1071 subparagraphs (A) to (C), inclusive, of this subdivision, with respect to
1072 approved investments in bioscience, cybersecurity or clean technology,
1073 a credit shall be allowed equal to twenty per cent of approved
1074 investments made by or on behalf of a taxpayer in the income year in
1075 which the investment in the eligible project was made, and such
1076 twenty per cent credit shall be allowed for the next four succeeding
1077 income years. The sum of all tax credits granted pursuant to the
1078 provisions of this section shall not exceed one hundred million dollars
1079 with respect to a single eligible urban reinvestment project or a single
1080 eligible industrial site investment project approved by the
1081 commissioner. The sum of all tax credits granted pursuant to the
1082 provisions of this section shall not exceed nine hundred fifty million
1083 dollars.

1084 (2) Notwithstanding the provisions of subdivision (1) of this
1085 subsection, any applicant may, at the time of application, apply to the
1086 commissioner for a credit that exceeds the limitations established by
1087 this subsection. The commissioner shall evaluate the benefits of such
1088 application and make recommendations to the General Assembly
1089 relating to [changes in] proposed amendments to the general statutes
1090 which would be necessary to effect such application if the
1091 commissioner determines that the proposal would be of economic
1092 benefit to the state.

1093 (j) The credits allowed by this section may be claimed by a taxpayer
1094 who has made an investment (1) directly only if such investment has a
1095 total asset value, either alone or in conjunction with other taxpayer
1096 investments in an eligible project, of not less than five million dollars
1097 or, in the case of an investment in an eligible project for the
1098 preservation of an historic facility and redevelopment of the facility for
1099 mixed uses that includes at least four housing units, a total asset value
1100 of not less than two million dollars; (2) through a fund managed by a
1101 fund manager registered under this section only if such fund: (A) Has
1102 a total asset value of not less than sixty million dollars for the income
1103 year for which the initial credit is taken; and (B) has not less than three
1104 investors who are not related persons with respect to each other or to
1105 any person in which any investment is made other than through the
1106 fund at the date the investment is made; or (3) through a community
1107 development entity or a contractually bound community development
1108 entity.

1109 (k) The commissioner shall, upon request, provide a copy of [the]
1110 any eligibility certificate issued under subsection (h) of this section to
1111 the Commissioner of Revenue Services.

1112 (l) The tax credit allowed by this section, when made through a
1113 fund, shall only be available for investments in funds that are not open
1114 to additional investments or investors beyond the amount subscribed
1115 at the formation of the fund.

1116 (m) (1) The Commissioner of Revenue Services may treat one or
1117 more corporations that are properly included in a combined
1118 corporation business tax return under section 12-223a as one taxpayer
1119 in determining whether the appropriate requirements under this
1120 section are met. [Where] Whenever corporations are treated as one
1121 taxpayer for purposes of this subsection, [then] the credit shall be
1122 allowed only against the amount of the combined tax for all
1123 corporations properly included in a combined return that, under the
1124 provisions of subdivision (2) of this subsection, is attributable to the
1125 corporations treated as one taxpayer.

1126 (2) The amount of the combined tax for all corporations properly
1127 included in a combined corporation business tax return that is
1128 attributable to the corporations that are treated as one taxpayer under
1129 the provisions of this subsection shall be in the same ratio to such
1130 combined tax that the net income apportioned to this state of each
1131 corporation treated as one taxpayer bears to the net income
1132 apportioned to this state, in the aggregate, of all corporations included
1133 in such combined return. Solely for the purposes of computing such
1134 ratio, any net loss apportioned to this state by a corporation treated as
1135 one taxpayer or by a corporation included in such combined return
1136 shall be disregarded.

1137 (n) Any taxpayer allowed a credit under this section may assign
1138 such credit to another taxpayer or taxpayers, provided such other
1139 taxpayer or taxpayers may claim such credit only with respect to a
1140 taxable year for which the assigning taxpayer would have been eligible
1141 to claim such credit and such other taxpayer or taxpayers may not
1142 further assign such credit. The taxpayer or taxpayers allowed such
1143 credit, the fund manager, the community development entity or
1144 contractually bound community development entity shall file with the
1145 Commissioner of Revenue Services information requested by the
1146 commissioner regarding such assignments, including, but not limited
1147 to, the current holders of credits as of the end of the preceding
1148 calendar year.

1149 (o) No taxpayer shall be eligible for a credit under (1) this section,
1150 and (2) section 12-217e or 38a-88a, for the same investment. No two
1151 taxpayers shall be eligible for any tax credit with respect to the same
1152 investment or the same project costs.

1153 (p) Any credit not used in the income year for which it was allowed
1154 may be carried forward for the five immediately succeeding income
1155 years until the full credit has been allowed.

1156 (q) (1) Any tax credits approved under this section that would
1157 constitute in excess of twenty million dollars in total for a single

investment shall be submitted by the Commissioner of Economic and Community Development to the joint standing committee of the General Assembly having cognizance of matters relating to finance, revenue and bonding prior to the issuance of a certificate of eligibility for such investment. Said committee shall have thirty days from the date such project is submitted to convene a meeting to recommend approval or disapproval of such investment. If such submittal is withdrawn, altered, amended or otherwise changed, and resubmitted, said committee shall have thirty days from the date of such resubmittal to convene a meeting to recommend approval or disapproval of such investment. If said committee does not act on a submittal or resubmittal, as the case may be, within that time, the investment shall be deemed to be approved by said committee.

(2) While the General Assembly is in session, the House of Representatives or the Senate, or both, may meet not later than thirty days following the date said committee makes a recommendation pursuant to subdivision (1) of this subsection. If such submission is not disapproved by the House of Representatives or the Senate, or both, within such time, the commissioner may issue such certificate.

(3) [While] Whenever the General Assembly is not in regular session, the House of Representatives or the Senate, or both, may meet not later than thirty days following the date said committee makes a recommendation pursuant to subdivision (1) of this subsection or not later than thirty days following the date such investment is deemed approved by said committee pursuant to subdivision (1) of this subsection. If such submission is not disapproved by the House of Representatives, the Senate, or both, within such [time] thirty-day period, the commissioner may issue such certificate.

(r) Not later than July first in each year that credits allowed by this section are claimed by a taxpayer with respect to an approved investment, the commissioner may retain such persons as said commissioner [may deem] deems appropriate to conduct a study to estimate the state revenue that is being and will be generated by the

1191 eligible project in which such investment is made. Such economic
1192 impact study shall determine whether the state revenue actually
1193 generated by such eligible project is equal to the estimate of state
1194 revenue made at the time the investment in such eligible project was
1195 approved. If the sum of all state revenue actually generated by such
1196 eligible project is less than the amount of the total sum of tax credits
1197 claimed with respect to the approved investment in such project on the
1198 date of such analysis, the commissioner may determine from the
1199 person retained pursuant to this subsection the applicable recapture
1200 amount and may revoke the certificate of eligibility issued under
1201 subsection (h) of this section. The commissioner may require the
1202 taxpayer, the fund manager, community development entity or
1203 contractually bound community development entity that made such
1204 approved investment to reimburse the commissioner for all or any part
1205 of the cost of any economic impact study performed under this
1206 subsection.

1207 (s) (1) Any taxpayer which has claimed credits allowed by this
1208 section related to an investment concerning which the commissioner
1209 has revoked the certificate of eligibility issued under subsection (h) of
1210 this section [.] shall be required to recapture such taxpayer's pro rata
1211 share of the recapture amount as determined under the provisions of
1212 subdivision (2) of this subsection and no subsequent credit shall be
1213 allowed unless such certificate of eligibility is reinstated under the
1214 provisions of subdivision (3) of this subsection.

1215 (2) If the taxpayer is required under the provisions of subdivision
1216 (1) of this subsection to recapture its pro rata share of the recapture
1217 amount during (A) the first year such credit was claimed, then ninety
1218 per cent of such share shall be recaptured on the tax return required to
1219 be filed for such year, (B) the second of such years, then sixty-five per
1220 cent of such share shall be recaptured on the tax return required to be
1221 filed for such year, (C) the third of such years, then fifty per cent of
1222 such share shall be recaptured on the tax return required to be filed for
1223 such year, (D) the fourth of such years, then thirty per cent of such

1224 share shall be recaptured on the tax return required to be filed for such
1225 year, (E) the fifth of such years, then twenty per cent of such share
1226 shall be recaptured on the tax return required to be filed for such year,
1227 and (F) the sixth or subsequent of such years, then ten per cent of such
1228 share shall be recaptured on the tax return required to be filed for such
1229 year. The Commissioner of Revenue Services may recapture such share
1230 from the taxpayer who has claimed such credits. If the commissioner is
1231 unable to recapture all or part of such share from such taxpayer, the
1232 commissioner may seek to recapture such share from any taxpayer
1233 who has assigned credits in an amount at least equal to such share to
1234 another taxpayer. If the commissioner is unable to recapture all or part
1235 of such share from any such taxpayer, the commissioner may
1236 recapture such share from any fund through which the investment was
1237 made.

1238 (3) If the commissioner has revoked the certificate of eligibility
1239 issued under subsection (h) of this section, such certificate of eligibility
1240 shall be reinstated by the commissioner if, upon a request made by the
1241 taxpayer, fund manager or community development entity who made
1242 such approved investment, an economic impact study conducted
1243 pursuant to subsection (r) of this section [shall determine] indicates
1244 that the sum of all state revenue actually generated by the project in
1245 which such investment was made is greater than the amount of the
1246 total sum of tax credits claimed on the date of such analysis, provided
1247 no such request shall be made pursuant to this subsection during the
1248 calendar year in which such certificate was revoked. For the purpose of
1249 determining whether such certificate shall be reinstated, the
1250 commissioner shall, upon receipt of a request made under this
1251 subsection, obtain one such economic impact study per calendar year
1252 and may obtain additional such economic impact studies as the
1253 commissioner deems appropriate.

1254 (t) Notwithstanding subsections (r) and (s) of this section, for a
1255 contractually bound community development entity, credit recapture
1256 for credits allowed by this section shall be governed by the terms of its

1257 allocation agreement with the community development financial
1258 institutions fund or, where such agreement is silent, by Section 45D of
1259 the Internal Revenue Code and the regulations promulgated by the
1260 United States Treasury pursuant to said [section] Section 45D.

1261 Sec. 9. Section 32-7g of the general statutes is repealed and the
1262 following is substituted in lieu thereof (*Effective July 1, 2016*):

1263 (a) There is established within the Department of Economic and
1264 Community Development the Small Business Express program. Said
1265 program shall provide small businesses with various forms of financial
1266 assistance, using a streamlined application process to expedite the
1267 delivery of such assistance. The Commissioner of Economic and
1268 Community Development, at [his or her] the commissioner's
1269 discretion, may partner with the lenders in the Connecticut Credit
1270 Consortium, established pursuant to section 32-9yy, in order to fulfill
1271 the requirements of this section. A small business eligible for assistance
1272 through said program shall [, as of June 15, 2012,] (1) employ [, on at
1273 least fifty per cent of its working days during the preceding twelve
1274 months,] not more than one hundred employees, (2) have operations in
1275 Connecticut, [(3) have been registered to conduct business for not less
1276 than twelve months, and (4)] and (3) be in good standing with the
1277 payment of all state and local taxes and with all state agencies.

1278 (b) The Small Business Express program shall consist of various
1279 components, including (1) a revolving loan fund, as described in
1280 subsection (d) of this section, to support small business growth, (2) a
1281 job creation incentive component, as described in subsection (e) of this
1282 section, to support hiring, [and] (3) a matching grant component, as
1283 described in subsection (f) of this section, to provide capital to small
1284 businesses that can match the state grant amount, and (4) a loan fund
1285 established in collaboration with private sector lenders doing business
1286 in Connecticut, as described in subsection (h) of this section, to provide
1287 small businesses with access to capital. The Commissioner of Economic
1288 and Community Development shall work with eligible small business
1289 applicants to provide a package of assistance using the financial

1290 assistance provided by the Small Business Express program and may
1291 refer small business applicants to the Subsidized Training and
1292 Employment program established pursuant to section 31-3pp and any
1293 other appropriate state program. Notwithstanding the provisions of
1294 section 32-5a regarding relocation limits, the department may require,
1295 as a condition of receiving financial assistance pursuant to this section,
1296 that a small business receiving such assistance shall not relocate, as
1297 defined in [said] section 32-5a, for five years after receiving such
1298 assistance or during the term of the loan, whichever is longer. All other
1299 conditions and penalties imposed pursuant to [said] section 32-5a shall
1300 continue to apply to such small business.

1301 (c) (1) The commissioner shall establish a streamlined application
1302 process for the Small Business Express program. The small business
1303 applicant may receive assistance pursuant to said program not later
1304 than thirty days after submitting a completed application to the
1305 department. Any small business meeting the eligibility criteria in
1306 subsection (a) of this section may apply to said program. The
1307 commissioner shall give priority for available funding to small
1308 businesses creating jobs and may give priority for available funding to
1309 [(1)] (A) economic base industries, as defined in subsection (d) of
1310 section 32-222, including, but not limited to, those in the fields of
1311 precision manufacturing, business services, green and sustainable
1312 technology, bioscience and information technology, [and (2)] (B)
1313 businesses attempting to export their products or services to foreign
1314 markets, and (C) businesses owned by one or more members of a
1315 population identified as underserved pursuant to subdivision (2) of
1316 this subsection.

1317 (2) The commissioner, in consultation with community leaders, shall
1318 identify populations underserved by the Small Business Express
1319 program.

1320 (d) (1) There is established as part of the Small Business Express
1321 program a revolving loan fund to provide loans to eligible small
1322 businesses. Such loans shall be used for acquisition or purchase of

1323 machinery and equipment, construction or leasehold improvements,
1324 relocation expenses, working capital or other business-related
1325 expenses, as authorized by the commissioner.

1326 (2) Loans from the revolving loan fund may be in amounts from
1327 [ten] one thousand dollars to a maximum of one hundred thousand
1328 dollars, shall carry a maximum repayment rate of four per cent and
1329 shall be for a term of not more than ten years. The department shall
1330 review and approve loan terms, conditions and collateral requirements
1331 in a manner that prioritizes job growth and retention.

1332 (3) Any eligible small business meeting the eligibility criteria in
1333 subsection (a) of this section may apply for assistance from the
1334 revolving loan fund, [but] except that the commissioner shall give
1335 priority to applicants that, as part of their business plan, are creating
1336 new jobs that will be maintained for not less than twelve consecutive
1337 months.

1338 (e) (1) There is established as part of the Small Business Express
1339 program a job creation incentive component to provide loans for job
1340 creation to small businesses meeting the eligibility criteria in
1341 subsection (a) of this section, with the option of loan forgiveness based
1342 on the maintenance of an increased number of jobs for not less than
1343 twelve consecutive months. Such loans may be used for training,
1344 marketing, working capital or other expenses, as approved by the
1345 commissioner, that support job creation.

1346 (2) Loans under the job creation incentive component may be in
1347 amounts from [ten] one thousand dollars to a maximum of three
1348 hundred thousand dollars, shall carry a maximum repayment rate of
1349 four per cent and shall be for a term of not more than ten years.
1350 Payments on such loans may be deferred, and all or part of such loan
1351 may be forgiven, based upon the commissioner's assessment of the
1352 small business's attainment of job creation goals. The department shall
1353 review and approve loan terms, conditions and collateral requirements
1354 in a manner that prioritizes job creation.

1355 (f) (1) There is established as part of the Small Business Express
1356 program a matching grant component to provide grants for capital to
1357 small businesses meeting the eligibility criteria in subsection (a) of this
1358 section. Such small businesses shall match any state funds awarded
1359 under this program. Grant funds may be used for ongoing or new
1360 training, working capital, acquisition or purchase of machinery and
1361 equipment, construction or leasehold improvements, relocation within
1362 the state or other business-related expenses authorized by the
1363 commissioner.

1364 (2) Matching grants provided under the matching grant component
1365 may be in amounts from [ten] one thousand dollars to a maximum of
1366 one hundred thousand dollars. The commissioner shall prioritize
1367 applicants for matching grants based upon the likelihood that such
1368 grants will assist applicants in maintaining job growth.

1369 (3) The commissioner may waive the matching requirement for
1370 grants under this subsection for working capital to small businesses
1371 located within distressed municipalities, as defined in section 32-9p.

1372 (g) (1) The commissioner shall allocate not less than seven per cent
1373 of available funding under the Small Business Express program to
1374 regional economic development agencies that will review applications
1375 for financial assistance pursuant to this section and award financial
1376 assistance packages pursuant to subsections (d), (e) and (f) of this
1377 section. The commissioner shall provide such regional economic
1378 development agencies with guidelines for the review of such
1379 applications and the award of financial assistance packages, which
1380 shall include a maximum ratio for administrative costs charged by
1381 such regional agencies to recipients of awards under this subsection.

1382 (2) Not later than April first, annually, each regional economic
1383 development agency that awards a financial assistance package
1384 pursuant to this subsection shall report to the commissioner available
1385 data as described in subsection (i) of this section. The commissioner
1386 shall incorporate such data into the report described in said subsection.

1387 (h) The commissioner, in collaboration with private sector lenders
1388 doing business in Connecticut, shall establish as part of the Small
1389 Business Express program a loan fund to provide small businesses in
1390 the state with access to capital. Such capital shall be used for
1391 acquisition or purchase of machinery and equipment, construction or
1392 leasehold improvements, relocation expenses, working capital or other
1393 business-related expenses, as authorized by the commissioner. Such
1394 loan fund shall be administered by the Department of Economic and
1395 Community Development. The commissioner may allocate not more
1396 than ten per cent of available funding under the Small Business
1397 Express program to such loan fund.

1398 ~~[(g)]~~ (i) Not later than June 30, 2012, and every six months
1399 thereafter, the commissioner shall provide a report, in accordance with
1400 the provisions of section 11-4a, to the joint standing committees of the
1401 General Assembly having cognizance of matters relating to finance,
1402 revenue and bonding, appropriations, commerce and labor. Such
1403 report shall include available data on (1) the number of small
1404 businesses that applied to the Small Business Express program, (2) the
1405 number of small businesses that received assistance under said
1406 program and the general categories of such businesses, (3) the amounts
1407 and types of assistance provided, (4) the total number of jobs on the
1408 date of application and the number proposed to be created or retained,
1409 ~~[and]~~ (5) the most recent employment figures of the small businesses
1410 receiving assistance, and (6) a summary of such identification efforts
1411 and any assistance granted to such businesses. The contents of such
1412 report shall also be included in the department's annual report.

1413 Sec. 10. Section 32-9n of the general statutes is repealed and the
1414 following is substituted in lieu thereof (*Effective October 1, 2016*):

1415 (a) There is established within the Department of Economic and
1416 Community Development an Office of Small Business Affairs. [Such]
1417 The office shall aid and encourage small business enterprises,
1418 particularly those owned and operated by minorities and other socially
1419 or economically disadvantaged individuals in Connecticut. As used in

1420 this section, "minority" means: (1) Black Americans, including all
1421 persons having origins in any of the Black African racial groups not of
1422 Hispanic origin; (2) Hispanic Americans, including all persons of
1423 Mexican, Puerto Rican, Cuban, Central or South American, or other
1424 Spanish culture or origin, regardless of race; (3) all persons having
1425 origins in the Iberian Peninsula, including Portugal, regardless of race;
1426 (4) women; (5) Asian Pacific Americans and Pacific islanders; or (6)
1427 American Indians and persons having origins in any of the original
1428 peoples of North America and maintaining identifiable tribal
1429 affiliations through membership and participation or community
1430 identification.

1431 (b) [Said] The Office of Small Business Affairs shall: (1) Administer
1432 at least one regional office of the small business development center
1433 program within the Department of Economic and Community
1434 Development; (2) coordinate, with the director of the small business
1435 development center program, the flow of information within the
1436 technical and management assistance program within the Department
1437 of Economic and Community Development; (3) encourage Connecticut
1438 Innovations, Incorporated to grant loans to small businesses,
1439 particularly those owned and operated by minorities and other socially
1440 or economically disadvantaged individuals; (4) coordinate and serve
1441 as a liaison between all federal, state, regional and municipal agencies
1442 and programs affecting small business affairs; (5) administer any
1443 business management training program established under section 32-
1444 352 or section 32-355 as the Commissioner of Economic and
1445 Community Development may determine; (6) provide a single point of
1446 contact for small businesses seeking financial and technical assistance
1447 from the state and quasi-public agencies; (7) coordinate all state
1448 funded revolving loan funds used to assist small businesses; (8)
1449 provide procedural information to small businesses seeking to bid on
1450 contracts offered by state agencies and municipalities; and [(8)] (9)
1451 establish, in cooperation with the Commissioner of Economic and
1452 Community Development, and within available appropriations, an
1453 informational web page with a list and links to all small business

resources available and post them in a conspicuous place on the department's web site. The office shall update this information on its web site on at least a quarterly basis.

(c) On or after February 1, 2011, and annually thereafter, the Office of Small Business Affairs shall compile (1) a description of its efforts pursuant to subsection (b) of this section, including, but not limited to, data on the type and number of businesses seeking assistance from the office, and (2) a summary of [all small business activities and] programs available to small businesses, and incorporate such summary into the report required pursuant to section 32-1m.

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>July 1, 2016, and applicable to income years commencing on or after January 1, 2019</i>	New section
Sec. 2	<i>July 1, 2016</i>	New section
Sec. 3	<i>July 1, 2017</i>	16-244r
Sec. 4	<i>July 1, 2017</i>	16-244s
Sec. 5	<i>July 1, 2017</i>	16-244t(a)
Sec. 6	<i>July 1, 2016, and applicable to taxable years commencing on or after January 1, 2018</i>	12-704d
Sec. 7	<i>July 1, 2016, and applicable to taxable years commencing on or after January 1, 2018</i>	12-217w
Sec. 8	<i>July 1, 2016, and applicable to taxable years commencing on or after January 1, 2018</i>	32-9t
Sec. 9	<i>July 1, 2016</i>	32-7g
Sec. 10	<i>October 1, 2016</i>	32-9n

FIN Joint Favorable Subst.